



DISASTER NEWS

Economic Injury Loans for Small Businesses

Declaration Number: ME-10131

Release Number: 05-90

For Immediate Release: June 23, 2005

Colleen M. Hiam

Perry J. Pedini

(800) 659-2955

NEWS RELEASE

SBA DECLARES RED TIDE A DISASTER

Small businesses can apply for economic injury disaster loans

PORTLAND, ME – The U.S. Small Business Administration announced today that low-interest federal disaster loans are available to small businesses affected by the toxic algae bloom that has been contaminating shellfish along the coast of several counties in Maine since May.

Maine Governor John Baldacci declared an economic emergency on June 10th, and asked for SBA disaster assistance.

“At the request of Governor Baldacci, SBA evaluated the impact the Red Tide is having on small businesses in Maine and determined a disaster declaration is warranted. This declaration makes working capital loans available to small businesses that suffered economic injury as a direct result of the impact this event is having on the fishing industry,” said SBA Administrator Hector V. Barreto.

Economic Injury Disaster Loans (EIDLs) are available to small businesses that are unable to pay bills or meet operating expenses. The purpose of the program is to provide working capital to businesses to assist in their recovery from the economic impact of this disaster. Eligible small businesses may qualify for loans up to \$1.5 million with an interest rate of 4 percent and terms extending up to 30 years. The EIDL program does not address physical damage losses.

Although businesses primarily engaged in fishing may be impacted the most, the program is also available to Main Street and ancillary businesses suffering from the economic impact of this event. However, Agricultural Enterprises, including Aquaculture, are not eligible for assistance under the Disaster Assistance Loan Program but may be eligible for other programs offered by the Small Business Administration.

--more--

SBA will be opening several outreach centers throughout the hardest hit areas of Maine. Experienced loan officers will be on hand to answer questions and provide assistance completing the loan application. These disaster loan workshops will remain open for as long as the need persists.

SBA's disaster declaration includes the primary counties of Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington and York, as well as the contiguous counties of Androscoggin, Aroostook, Kennebec, Oxford, Penobscot and Somerset in the State of Maine; and Carroll, Rockingham and Strafford in the State of New Hampshire. However, to be eligible for consideration under the SBA disaster program, losses sustained must be the result of the economic damages sustained since the onset of the Red Tide beginning May 4, 2005.

Interested small business owners are urged to visit an SBA workshop or to call the SBA Disaster Area 1 Office at **1-800-659-2955 or 1-800-877-8339** for the hearing-impaired, for more information and to obtain a loan application. Applications can also be downloaded from SBA's website, www.sba.gov/disaster. Completed loan applications should be returned to the SBA, 14925 Kingsport Road, Fort Worth, Texas 76155, no later than March 23, 2006.

For more information visit SBA's website at www.sba.gov/disaster

###

SBA Disaster Assistance Office/Area 1 - 130 South Elmwood Avenue - Buffalo, NY 14202